New York University
Stern School of Business

SAMPLE ➔  MANAGING CHANGE – Spring 2010

Assignments and readings will stay the same. The dates will change!

“For the times they are a-changin’.”

– Bob Dylan

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Course Description and Objectives

Contemporary business environments constantly face the challenge of change. Whether the change is simple or complex, whether they are entrepreneurial start-ups or long-established Fortune 500 firms, find that they must change or die. [Read Charles Darwin: “It is not the strongest species that survive, not the most intelligent, but the ones who are most responsive to change.”]

This course is geared toward deepening your understanding of the challenges, the techniques, and the problems associated with initiating and implementing major change in an organization. Throughout the course, the objective will be to prepare managers, or their consultants and advisers, to meet the challenges of organizational change successfully. While we will cover the macro (organizational) level of change, we will also focus on the micro (individual) level of change and how you, as a manager/consultant, can lead change through your actions and through others. This kind of learning emphasizes application and not only understanding through analysis. Both are important. You may even get an opportunity to see how you react to or anticipate change on an emotional (affective) and not just a rational (cognitive) level! Just as it happens at work.

The perspective on change adopted in this course is that competitive advantage today is less a matter of determining the right strategy than of implementing it faster and more smoothly than your competitors. As a result, this course concentrates on process, or how change can be most effectively implemented through people within the organizational context. In keeping with the emphasis on change process, the course focuses on the exploration and classroom discussion of cases illustrating different change efforts in a variety of organizations across a diverse range of business contexts. The exploration of these cases and the understanding of the complex and intricate process of initiating and implementing change, is the central focus of the course. This course stresses the development of clear and specific managerial implications, both in class and in all assignments.

Note: I suggest you do not take this class as one of your first MBA courses. Wait until you have completed Leadership In Organizations (formerly Managing Organizations) and 2 or 3 core courses.

Required Materials

1. Managing Change: Harvard Case Pack
2. Reading Packet.
[Both are available at the NYU Professional Bookstore, 530 La Guardia Place, New York, NY 10012 | (212) 998-4680] www.bookstores.nyu.edu/professional.store/

Office Hours

My office hours: Before class or by appointment

If you would like to discuss your progress in the course or if you need assistance with the course material and assignments, you can email me anytime or you can contact me and set up an appointment for an in-person or phone meeting. I encourage you to meet with me as soon as possible if you have any questions or problems.
Course Requirements at a Glance – an example; these may change as needed

1. Class Participation 25%
2. Reaction Memo 25%
3. Case Interview/Group Presentation 25%
4. Final Thought Paper 25%

All assignments are averaged equally… however many they turn out to be.

Course Requirements in Detail

1. Class Participation – (Individual)

The single most important requirement in this course is full and active involvement in the case discussions and analyses. Ultimately, much of what you learn in this class will be from your fellow students…not from me droning on about my own corporate war stories which may produce what I like to call “enterTRAINment” for academic tourists but not much learning that you can use in your own settings/contexts. If you are absent for ANY reason, you are not participating.

My approach to the classroom is similar to that used by executive coaches. There will be more questions than answers. You will lead most of the discussions in the class. I will facilitate your learning. I will not tell you what you can read or research on your own. This class is very interactive. My goal is not to demonstrate what I know or do not know about managing change. My goal is to coach you to learn what you need to know about managing the challenges of change for your own purposes and goals. This may be a major change from what you have experienced in previous courses.

The focus here will be on creating what Peter Senge calls a learning community. You should be prepared for each session. You are expected to complete all the assigned readings, assignments and case analyses for each session before coming to class. In addition, you must be able to contribute in a meaningful way to class discussion of these materials. Just sitting in class is not considered participating. We may even use the Discussion Board to further our discussions during the week. This is NOT mandatory. It will not hurt your grade. It can help your grade, if you choose to participate online. Each group will be responsible for leading a class discussion around a case/interview. Your participation grade will be based on the quality (not quantity!) of your contributions to class discussions.

2. Reaction Memo (Individual)

Distributed throughout the syllabus are a set of italicized thought questions which reflect key open issues or debates in the literature on managing change. You may choose any one to write a response to. The longer you wait the more will be expected. Do NOT retell the case story! The memo should be 2-3 (no longer than 3) DOUBLE-SPACED and must be submitted on the date indicated in the syllabus (because we will often …but not always…discuss that topic in class that day). Include material from the cases, class readings, from your own previous experience/intuition, and from theory developed for this or other classes. A brief list of the sources/citations you used in APA format is expected to support your conclusions. No more than one web site may be listed as a source. Do NOT use “wikipedia”.

Reaction memos must be submitted on the day due and will be graded with respect to how insightfully and thoroughly you respond to the issues indicated in the syllabus questions, the degree to which you present a balanced perspective, your use of examples that illustrate the concepts/cases/readings we explored in class and your understanding of the course concepts, the degree of relevance to managerial practice and how you support your analysis by referencing at least three of the following: Kurt Lewin, Elizabeth Kubler-Ross, Richard Beckhard, John Kotter, Daryl Connor, Jeanenne LaMarsh, David Gleicher (Gleicher’s Formula), Manfred Max-Neef, Prosci’s ADKAR model, William Bridges, Chris Argyris (Ladder of Inference), David Bohm, Arnold Mandell’s Process Oriented Psychology, Edgar Schein, etc. and/or concepts such as: Appreciative Inquiry, Open Space Technology, Systematic Constellations, Theory U, Chris Argyris (single- & double-loop learning), Future Search Conferences, etc. Do not limit yourselves to the above authors/topics. There are plenty of others out there. You choose.

3. Team Case/Interviews (Group Facilitation)
Groups of 4-5 will be assigned to facilitate [...] at least one case in class and/or the results of interviewing two individuals who have experienced significant recent (previous 12 months) change at work and present their findings in class. [Don’t interview each other. ;-)…this is a great way to expand your network and make some potentially important contacts!] The facilitation will take anywhere from 35 – 40 minutes, including a debrief. This is not the usual 10 minute “presentation” format you may be used to.

If you do an interview, the two people you choose may have been involved in an entrepreneurial venture and witnessed the fundamental changes that occur in such ventures. Alternatively, the individual may have experienced a restructuring, merger, downsizing, change in organizational leadership, change in strategy or some other major organizational change or may have experienced a change in career direction.

Interview each person using the interview protocol on Blackboard, either tape-record or take thorough notes of the conversation. The interview protocol provides several basic questions, but the actual interview will most likely involve your asking appropriate follow-up questions to probe the relevant topics. Note that the interview protocol does not ask interviewee’s name – you can guarantee your interviewees’ anonymity, identifying them (and even their company, if they wish) through general descriptive information such as their position, the company’s industry and size, etc. You must hand in your “raw data” on the day of your presentation. Include appropriate change models/authors as your guide. Your analysis should include:

(a) comparison of the two individuals’ experiences, distilling the generalizability of your observations based on the two case interviews,
(b) explanation of what you view as the likely causes for each individuals’ experiences, including (but not necessarily limited to) attributes of the individual, attributes of the organizational context, and attributes of the change itself and the way it was managed, distilling the factors that make recipients’ experience relatively more or less difficult, and
(c) description of each individuals’ experience of the change over time, distilling the dynamic processes of adaptation to change.
(d) Your own learnings, takeaways, reactions… what you might have done differently and why?

NOTE - For both cases/ interviews: email me your PPTs and notes for presenting your interview case at least 4-5 days prior to presenting. I will then get back to you with comments and suggestions. This will also give you time to practice your facilitation of the session and make appropriate changes in your materials, if needed.

4. Final Thought Papers (Individual)

Include a separate page of citations [APA format preferred].

This final paper (3-5 pages) should focus on three issues:
1. What did you learn about change from your readings, discussions, interviews, self-reflections, etc.? - Include examples from the cases and readings to support your conclusions/insights
2. How can you apply what you’ve learned to your current situation?
3. What did you learn about how you handle change? What worked? What got in the way? How will you do things differently to become more effective?

NOTE: If you could have written this paper without having taken this course, you need to re-write.

Case Preparation for this Course

This course is quite different than many other courses in the MBA program. In particular, whereas other courses focus on content, this course emphasizes process. The emphasis on process is driven by the teaching philosophy guiding this course: specifically, a variety of organizational forms and systems can be successful, but what distinguishes successful from unsuccessful change is the way that the change is managed by and through people. What some call, the “soft” skills. I see nothing soft about having competent, confident, committed people to carry out hardcore change strategies.

The emphasis on process guides every aspect of the course design. There are no formulas to guarantee a successful change effort. This course will help you become a (change) chef…not a (change) short-order cook! Process management must be learned through direct experience or learning strategies that simulate experience with different types of and issues regarding change. The cases we cover and the teaching approach are, therefore, the key learning tools. They allow you to learn from a
variety of organizational experiences with change and from each other. If you are expecting to sit passively in class listening to
the professor "profess", this is not the class for you.

The relationship between theory and cases is different than what you are likely to find in other courses. The best theoretical
models regarding change management have not yet been translated from the dense and overly specific academic research
articles to readings that you will find useful to apply. Thus, much of the theory in the course will be derived from your own
readings and class discussions. Case analyses may also seem different from what you typically encounter in other courses. For
example, **chronologies help chart a process and therefore could be a vital aspect of case preparation** for this course that is
not heavily used in other courses. Use the timeline to help you analyze and understand the change issue(s) in the case.

Organizational culture and individual behavior are also very important factors to consider. Organizational change is
characterized by ambiguity and uncertainty. Therefore, cases and teaching style (…more that of facilitator/coach than
traditional professor) have been chosen to simulate feelings of ambiguity and uncertainty. Yes, I will constantly nudge you
out of your comfort zone. You may find this approach frustrating and confusing. If your “tolerance for ambiguity” is low,
you had better fasten your seatbelt or choose another profession! [See for yourself. Go to
http://faculty.washington.edu/janegf/ToleranceofAmb.htm to find your own Tolerance of Ambiguity score. The
explanation is at the bottom of the assessment test. There is also a copy of the scale on BB in the Course Documents
section in the Class # 2 folder.

The cases …along with a few models/theories of change…will be used to slowly create a more elaborated mental model of
the factors that must be taken into account when managing the process of change at any level of the organization. Thus, I
will give you few roadmaps for analyzing the cases because the course is designed to allow you to develop that roadmap for
yourself. I have provided a few case analysis questions just to give you a start, but after the first few cases I expect you to
determine what the key analysis issues are. Moreover, as you develop an elaborated mental model of how the change
process should be managed, I will pressure you to give more and more specific action recommendations – in a change
context “the devil is in the details”. Thus, you can expect me to ask you to specify exactly how and when to implement your
recommendations, even possibly encouraging you to role play. Whether or not the case is recent or “back in the day”… the
change process is applicable across time frames. Specific actions may differ but the process can be used at many
organizational levels, across functions and time frames.

You are encouraged to **keep a log/journal during the course** to record your insights, reactions, learnings and takeaways.
This will be very helpful for your final thought paper. Include your own experiences and current business press. From
time to time you may be asked to share a few of your ongoing insights.

**Class Attendance**

Be prepared to take full responsibility for your own learning. The outcome you choose to achieve for this class will impact
more than your transcript. What will affect your grade, however, is your attendance. Since much of the learning will come
from in class discussions, it will be IMPOSSIBLE to qualify for an "A" or “A-“ in this course, if you are not here for ANY
reason and participating in every class. Simply sitting in class is not considered full participation. Secondly, if more than
two (2) scheduled classes are missed without explanation, the instructor reserves the right to assign a failing grade. Classes
will NOT be videotaped.

**Laptop Policy (cell phones, iPods, Blackberries or other electronic devices…)**

The above items or any other technology are not allowed during class unless you need them for your team facilitation.
Please turn them off before you come to class.

**Honor Code**

As MBA students at Stern, you are expected to adhere to the MBA Honor Code. You are reminded that every student is
obligated to report to the instructor any suspected violation of the code that he or she has observed.

MBA Honor Code site -- http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797
Students with disabilities

If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD […this probably will not be the case for this class], you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

“We have the opportunity to be the architects or victims of our own futures”
“Managing at the Speed of Change” Daryl Conner

“This is not the end. Nor is it the beginning of the end. But perhaps, it is the end of the beginning.”
Winston Churchill

関係

guanxi (relationships)
Mapping the territory: Issues in change

Note: These topics/schedules may change, as needed or even...like some M&As...unexpectedly.

1. **February 10th**
   **Introduction**
   In class: Who Moved My Cheese? (possible video) […] probably 2/17
   “Turbulence Tolerance Assessment”
   **Casebook:**
   “Managing Change: The Art of Balancing
   Leading Change: Why Transformation Efforts Fail”
   **Readings:**
   “Organizational Frame Bending: Principles of Managing Reorientation”

2. **February 17th**
   **Patterns of Change Over Time**
   **Case Presentation:** (Class)
   **John Smithers: Change Agent**
   Consider:
   1. Analyze the approach to change taken at this company. A chronology may be useful.
   2. What are the barriers and drivers of change?
   3. Was Smithers effective? What should he have done differently?
   4. What are the future prospects for this quality initiative?
   **Reading:**
   “Understanding and managing cynicism about organizational change” (reading packet)
   “Campaigning For Change” (case)
   “Organizational Frame Bending: Principles of Managing Reorientation” (reading packet; skim)

3. **February 24th**
   **Depends on availability of the guest speaker; I should know by the first class session.**
   **Read:**
   “Communicating the Change Vision” (reading packet)
   **Casebook:**
   “Why Good Companies Go Bad”
   **Case Presentation (1)**
   **Charlotte Beers at Ogilvy & Mather Worldwide (A)**
   **Consider:**
   1. What is Beers trying to accomplish as CEO of Ogilvy & Mather Worldwide?
   2. Evaluate the way that Charlotte Beers took charge of the change process.
   3. What are the key challenges facing Beers at the end of the case?
   **Possible Guest Speaker:**
   [Mr. Jerry Pickholz, former Vice-Chairman: Ogilvy & Mather and Chairman and Chief Executive Officer of its direct marketing company.]
   **Reading:**
   “Revitalizing organizations: The leadership role” (read pages 251-264. You may skim the beginning of the article if you wish.)
   **Reaction memo option 1:**
   Evaluate the implications of defining the vision for change from the top down relative to from the bottom up.
   or
   **Reaction memo option 2:**
   Analyze the issue of whether change leaders should be internal or external to the organization (i.e., drawn from the current ranks of leaders and even the current CEO versus drawn from other organizations). Consider the circumstances under which you would recommend internal versus external leadership.
4. **March 3rd**

**Case Presentation (2)**

**Unisys: The Merger of Burroughs and Sperry**

Consider:

1. What was the vision for this merger?
2. What were the toughest challenges in enacting this vision? How well did Unisys handle them?
3. What would you do differently? What would you do now?

**Casebook:**

“A Survival Guide For Leaders”

**Reading:**

(BB articles – to be listed in Course Documents: Class # 4 & 7

Vision: Deetz Article
Creating a Vision – Article
Creating a Vision to Shape a Culture
How Corporate Culture Really Takes Shape

5. **March 10th**

**Submit:**

“Team interview selections” (company/department/title, etc.)

**Case Presentation: (3)**

**Donna Dubinsky and Apple Computer, Inc. (A)**

Consider:

1. Why was Dubinsky initially so successful at Apple?
2. Why did she respond the way she did to the JIT proposal? (Put yourself in her situation, intellectually and emotionally)
3. What do you think she should have done differently? Be specific.

**Case Presentation (4)**

**Rick Miller (A)**

Consider:

1. What does it feel like to be “sold”?
2. How would you have reacted differently if you were in his shoes?
3. What would you do now if you were Miller?

2nd case could be added here – possible…not probable!

**Reaction memo:**

Consider the effects of repeated experiences with organizational change. Do people learn from and get better at change? Or does change do damage that may not be reparable?

**NO CLASS MARCH 17th = SPRING BREAK**

6. **March 24th**

**Case Presentation: (5)**

**USA TODAY: Pursuing the Network Strategy**

Consider:

1. What context do Curley and his team face in February 2000?
2. What is the network strategy, what assumptions is it based upon, what hurdles does Curley face in pursuing it, and what will be required in order for it to succeed?
3. Why have Dave Mazzarella and Lorainne Cichowski been so far apart? Why is there such superficiality on TRom’s team regarding his network strategy?
4. What should Tom Curley do? Why is he talking about a revolution?

**Casebook:**

“Cracking the Code of Change”

**Casebook/Read:**

“Executing Change: Three Generic Strategies”
March 24th
Case Presentation: (6) First National Citibank Operating Group (A) & (B)
Consider:
1. What was the factory concept and why was it developed?
2. How successful was Reed’s implementation of change? What criteria should be used to evaluate the success of a change effort?
3. What would you have done differently?

Read:
“Assessment and Measurement” (reading packet - skim)

Reaction memo:
Consider the scope of change -- how a change process is rolled out. Should it be piloted in particular divisions or areas or rolled out throughout the organization at once? Why? If it is piloted in a particular area, how could the area be chosen (e.g., start with the poorest performing divisions or with the most successful divisions)? What are the implications for how the change process is managed later?

7.
March 31st
Case Presentation: (7) Campbell and Bailyn’s Boston Office: Managing The Reorganization
Include Tushman’s Congruence Model for this case…
Consider:
1. Why is C&B making these design changes?
2. How did Winston go about developing them? Why?
3. How does the new vs old incentive system help or get in the way?
4. Review Winston’s decision prior to the New York meeting. Afterwards, what should he recommend?
5. How is Winston’s job different after the changes? Implications?

March 31st
Implementing change in complex political environments
Case Presentation: (8) Peter Browning and Continental White Cap
Consider:
1. What was Browning’s predicament at White Cap?
2. What should his objectives and time frame be?
3. What should he do now?

Reading:
“Generating short-term wins” (reading packet)

Reaction memo option I:
Consider organizational change as an episodic event versus a continuous event. Which picture is more accurate?

or

Reaction memo option II:
Consider the speed of change. Analyze the assets and liabilities of implementing change quickly or slowly.

8. April 7th
Implementing Mergers and Acquisitions/Global Contexts
Case Presentation: (9) Gillette Singapore
Consider:
1. Assess Juan Hee Joong’s effectiveness in handling the integration of Parker Pen. What kind of resistance could be involved? Is he taking the right steps to remove obstacles to smooth integration?
2. Develop a scenario for the likely consequences of Juan’s actions. What should Juan do now?
3. Does the Singapore context influence your choice of actions?

Reading:
“Making mergers and acquisitions work: Strategic and psychological preparation”

Interview # 1 (10) Case Interview Presentation/Discussion
9. April 14th
   Implementing Downsizing
   Case Presentation: (11)
   Changing the Culture at British Airways
   Consider:
   1. What was life like at the “old” British Airways?
   2. What was difficult about making change?
   3. What were the critical factors in the successful transformation?

   Interview # 2 (12)
   Case Interview Presentations/Discussions

   LAST CHANCE to submit
   A Reaction Memo:
   Do change initiatives induce organizational failure or enhance organizational survival?

10. April 21st
    Who Goes Who Stays
    Case Presentation: (13)
    Possible Guest Speaker
    Erik Kimmel – President, Peer2Peer

11. April 28th
    Course Wrap up/Career Implications
    Case Interview Presentation/Discussion
    Case Presentation: (15)
    KANA: Layoff Gone Awry (A)
    Consider:
    1. What mistakes were made in implementing the layoff, and why were they made?
    2. What should Vicki do?

12. May 5th
    Possible Open Topics Session – Your choice!
    E.g. Understanding Yourself As an Instrument of Change; Ethical Issues to Consider; How to Manage/Lead Change?; Models of Change; etc.
    Option to consider: You may be going through a change situation yourself. Here’s your chance to briefly present your case and use the class as your “consultant”. About 10 - 15 minutes.

    Submit:
    Final Thought Papers (Individual) – include a separate page of citations used in APA format. This final paper (3-5 pages) should focus on three issues:
    [NOTE: If you could have written this paper without taking this course, you need to rewrite!]
    1. What did you learn about change from your readings, discussions, interviews, self-reflections, etc.? Be specific and give examples from what you read, discussed, etc.
    2. How can you apply what you’ve learned to your current situation?
    3. What did you learn about how you handle change? What worked? What got in the way? How will you do things differently to become more effective?